TD

Distr.
GENERAL

TD/B/SR.501
5 October 1979

ENGLISH
Original: FRENCH

United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE FIRST MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 11 October 1979, at 3 p.m.

President: Mr. TALBOT (New Zealand)

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Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the roles and principles governing international economic relations and UNCTAD's necessary contribution to a New International Development Strategy for the Third United Nations Development Decade (continued);

Assessment of the progress made towards the establishment of the new international economic order (General Assembly resolution 33/193) (continued);

Contribution of UNCTAD to the preparation of the new international development strategy (General Assembly resolution 33/193) (continued); and

Interdependence of problems of trade, development finance and the international monetary system (continued).

Other particular matters in the field of trade and development:

(a) Trade and economic aspects of disarmament.

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.

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The meeting was called to order at 3.45 p.m.

EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTERRELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE, WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND UNCTAD'S NECESSARY CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (agenda item 3) (continued) (TD/324 and Corr.1 and Add.1, TD/335, TD/336, TD/349);

ASSESSMENT OF THE PROGRESS MADE TOWARDS THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER (GENERAL ASSEMBLY RESOLUTION 3362(S-VII)) (agenda item 4) (continued) (TD/B/757);

CONTRIBUTION OF UNCTAD TO THE PREPARATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY (GENERAL ASSEMBLY RESOLUTION 3362(S-VII)) (agenda item 5) (continued) (TD/329); and

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT, FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 6) (continued) (TD/B/729 and TD/B/AC.24/CRP.1)

1. Mr. JANNI (Italy), speaking on behalf of Group B, said that, in the Group's view, the most important subjects for discussion in the plenary meeting were interrelationships (item 3 of the Board's agenda, which took up item 3 of the agenda for the fifth session of the Conference and UNCTAD's contribution to the International Development Strategy (agenda item 5).

2. The Group B countries had listened with attention to the observations of the Secretary-General of UNCTAD concerning the follow-up to the discussions on item 3 of the Conference agenda. The Group had taken an active part in the discussions at the fifth session of the Conference and had put forward proposals which it considered constructive. It was prepared to pursue the discussion in a spirit of co-operation. The inability to reach agreement on the question was often seen as one of the main reasons why the Conference had not been an overall success, but it should not be forgotten that substantial progress had been achieved in other fields. The lack of agreement on the question of interrelationships could be explained in a number of ways, one of which was that it had not been possible to arrive at a common view of the origins, trends and prospects of the global economic situation. At the present session, therefore, the Board should not attempt any economic analysis but should concentrate on its immediate business: how to react to the proposal of the Secretary-General of UNCTAD for the establishment of a consultative mechanism on interrelationships.

3. Group B saw value in having global consultations in the Board on trade and related issues of international economic co-operation, taking into account the interrelationship of problems in the areas of trade, development, money and finance, provided such consultations did not duplicate the global negotiations being discussed at the General Assembly. It was perfectly normal for the Board to make its own review of world economic trends to enable it to identify what action it should be taking.

4. Group B was prepared to discuss in a favourable way the mandate of an intergovernmental group of experts to help the Board to prepare for its discussions. There were, of course, other issues to discuss in relation to the creation of such a group - its composition, duration and so forth - but Group B hoped that agreement could be reached at the present session on convening such a group, and it looked forward to more specific proposals from the Group of 77.

5. With regard to UNCTAD's contribution to the international development strategy, he wished to make it clear at the present stage that many Group B countries had considerable difficulty with the ideas contained in the report by the secretariat (TD/B/759); they were, however, prepared to discuss the best way in which UNCTAD could, within its mandate, make its essential contribution to the preparation of the next strategy.

6. Mr. JARAMILLO (Colombia) said that, when his delegation had made a statement at the fifth session of the Conference concerning the factors that had led to a worsening of the trade situation of the poorer developing countries, it had hoped to secure a favourable response from those countries that, because of their own efforts and their natural resources, had reached a standard of living which developing countries could never hope to attain so long as their legitimate claims were not recognized. However, no solution was in view and the future was still just as bleak. It was his intention not to put the blame for the world economic crisis on any country or group of countries, but to recall the reasons for the crisis and to appeal yet again to the spirit of human solidarity, which appeared to move in inverse ratio to wealth.

7. His delegation still maintained its analysis of the causes of the world economic crisis. The major western industrialized countries were solely concerned with problems of fluctuations in their currencies, the rate of exchange, unemployment, safeguarding their sources of supply, inflation and the possibility of making other countries bear the burden of adjustment. His delegation understood their concern, as well as that of oil-producing countries, but it considered that adjustment should not take place at the expense of the countries with weaker economies. Adjustment had had serious consequences for the developing countries: a serious deterioration in the terms of trade (according to estimates by the UNCTAD secretariat: $30 billion between 1974 and 1975), deficits in the balance of external payments leading to reduced development programmes or borrowing on private capital markets, increased indebtedness (present estimated total debt of developing countries: $300 billion in 1978, and the burden of debt servicing (often more than 25 per cent of export earnings). Future prospects were unknown, especially for non-oil-producing developing countries which faced a threefold problem: continued increases in both the price of oil and the cost of manufactures exported by developed countries.

8. There was a limit to what could be borne and the developing countries were near to breaking point. The developed countries' indifference to the need to restructure international economic relations was in flagrant contradiction to the basic principles of the new international economic order. His delegation hoped that the Board would be able to find a way to meet the legitimate aspirations of the developing countries and, in particular, to lighten the heavy burden on the non-oil-producing countries.

9. Mr. YAN (Malaysia) said that his delegation was in general agreement with the findings of the secretariat's report (TD/B/757), namely, that progress towards the establishment of the new international economic order had been very limited, and that there had been no progress at all in restructuring of the international division of labour. At the same time, developed countries had continued to depart from the principle of the stand-still and were imposing more and more restrictions on imports from the developing countries. During the multilateral trade negotiations, attempts had been made to introduce some discipline, in particular, with regard to negotiating a safeguards code, but the secretariat had not clearly explained (para. 21) why no agreement had yet been reached. One reason might be that developing countries were unable to accept new rules aimed at selective application of safeguard restrictions, but the basic reason was the refusal of those developed countries that had proposed such an application to make any commitment to accept international discipline or surveillance in that area. For the developing countries, the multilateral trade negotiations had thus lost one of their key elements.

10. In the light of the many obstacles - voluntary export restraints, orderly market arrangements, trigger price mechanisms, etc. - imposed by the developed countries on imports of goods - textiles, footwear, leather goods and wood products - from the developing countries, the concept of free trade appeared to be obsolete. Political rather than economic considerations were shaping the international pattern of production. Developed countries argued that they had to maintain a satisfactory level of domestic production but it was the developing countries that had to pay the price. The case of textiles was a classic example of the protection granted by developed countries to an industry facing commercial and technological competition and it demonstrated the need to restructure industrial production in the developed countries in response to the industrialization process in developing countries and in the context of the new international economic order.

11. Developed countries had so far taken very few industrial adjustment measures and some had used poor growth prospects as an excuse, but they should be aware of the potential for growth that existed in the world when developing countries constituted three-quarters of world population and represented a large market for their manufactures.

12. Assistance to structural adjustment should thus be one of the first priorities of the Third Development Decade. It should not be used to subsidize inefficient producers in the developed countries, but a global strategy should be evolved with the developing countries aimed at establishing a more equitable world trade structure. In addition, there was an urgent need to educate the general public in the developed countries and make it understand that, in an inter-dependent world, structural changes were necessary.

13. Mr. TRUCCO (Chile) said that scarcely any progress had been made in the negotiations relating to the establishment of a new international economic order. His delegation considered that UNCTAD was still the most appropriate organ to deal with the many and complex problems of the North-South dialogue. The reasons why the results of the fifth session of the Conference had been so disappointing must be carefully analysed and efforts must be really directed towards the basic objectives by making better use of the already existing permanent bodies of UNCTAD.

14. Recent setbacks had clearly been due, among other causes, to reasons of a political nature which had already been fully discussed but it was time to review the negotiating machinery used so far. There must be a negotiating machinery which made it possible to embark on sessions of the Conference with several possible formulae for agreement which required only the stamp of political will to be implemented.

15. It was also necessary to implement properly resolution 114 (V) on institutional issues, particularly the idea of reducing the number of meetings of experts with its wider implication of limiting the number of issues submitted for negotiation, for it was obvious that the heavier the agenda, the greater the likelihood of divergent views. Hence, all members of UNCTAD and the secretariat should help to keep negotiations in their rightful framework. The experience of the fifth session of the Conference and of the previous sessions showed that it was impossible to achieve true agreement without adequate and timely technical preparation of the issues to be examined. Furthermore, global negotiations and consultations should proceed on a broad front without interruption and the spokesmen of the various regional groups must be given wide-ranging and flexible mandates to enable them to make progress, even if only at the unofficial level.

16. His delegation was particularly interested in three issues. The first was economic co-operation among developing countries. That was a task in which rapid action was required. His delegation had announced at the Conference the establishment of a special fund for co-operation, which had already made it possible to take initiatives in that field, and also the setting up of a system of preferences favouring the least developed among the developing countries. Those two measures had given results - an account of which would be given in due course - which were significant for appropriate international co-ordination.

17. The second problem exercising his delegation was the serious consequences of protectionism. The pressing problems of the current economic order could be solved only by active international co-operation, but many developed countries were still erecting barriers to the trade of the developing countries, jeopardizing the possibility of co-operation and at the same time endangering the system of international trade which they had themselves established over 30 years previously and on which they had built their prosperity. In fact, having urged the developing countries to open their economies to international trade, they were impeding the efforts of the latter in that direction. Consequently, developing countries were unable to benefit from their comparative advantage or implement their development plans. Industrial restructuring was thus essential to ensure orderly and progressive economic adjustment. On that subject, much had been done by the United Nations Industrial Development Organization (UNIDO), with which the necessary co-operation must be maintained. It was also necessary to promote collective action so that the issues which had not been settled by the multilateral trade negotiations remained under negotiation.

18. Finally there was the energy problem which, in his delegation's view, could not be dissociated from development problems. A multilateral analysis was required, owing to the particular difficulties of non-oil-producing developing countries which had not only to face increased oil prices but were also often obliged to buy on the spot market. The problem should not lead to a confrontation but to joint action satisfactory to producers and consumers alike. Developing countries must also be given an assurance of permanent supplies. In that connexion, he recalled the regional action taken by the Latin American countries through the Latin American Energy Organization (OLADE) which was an excellent example of the potentialities of horizontal co-operation in the energy field.

19. Mr. MARCANI URDANETA (Venezuela) said that some progress had been made in UNCTAD towards the establishment of a new international economic order, especially in the negotiations on the Common Fund and the conclusion of the International agreement on natural rubber. Progress had still to be made, however, in other negotiations, particularly on the transfer of technology and restrictive business practices. As far as they were concerned, the developing countries had the will to negotiate and also to co-operate among themselves. It was for the developed countries to take corresponding action and not to place in the path of the developing countries obstacles created by a short-sighted policy which hampered the structural transformation that the world economy needed. UNCTAD should promote an atmosphere favourable to negotiations. The developing countries wished to be given genuine and fair opportunities based on the healthy relationship which should exist among sovereign States.

20. On the occasion of the tenth anniversary of the Cartagena Agreement, the President of Venezuela had stressed that the economic policy of the developed countries was hampering the harmonious and concerted development of the developing countries. Venezuela, as an oil-exporting country, faithful to the principles of international social justice, was devoting to co-operation with the third world a proportion of its national product five times as large as that devoted by the developed countries and it was prepared to continue to assist the developing countries financially through multilateral agreements.

21. Furthermore, the Minister of Foreign Affairs of Venezuela had just made a statement to the General Assembly in which, referring to energy, he had rejected the baseless accusations made against the Organization of Petroleum-Exporting Countries (OPEC) and noted that the industrialized countries were beginning to apply themselves to reducing unbridled consumption and thus influencing demand. His country welcomed that development which was the starting point for the application of effective policies to reduce the length of the transition to the utilization of new, renewable and non-polluting sources of energy. The Venezuelan Government, aware of the difficulties of many non-oil-producing developing countries was prepared to assure their supply by helping them to bear the financial burden arising from increased oil prices. But it must be recognized that the difficulties of such countries stemmed mainly from structural imbalances in the world economy. Given the limited bargaining power of individual developing countries, it was necessary for them to form a united front in their relations with the industrialized countries so as to achieve a fair share of the world economy. His delegation had

often expressed its support for the organization within the framework of the United Nations of a new series of international economic negotiations to involve the energy issue. Such a new dialogue could overcome obstacles provided that the industrialized countries showed sufficient political will.

26. Mrs. WUNSCH (India) said that the current session of the Board was of particular importance in that it was being held between the fifth session of the Conference and the seventh Special Session of the General Assembly. She hoped that the Board would help to consider in depth the question for further global consultations, within the framework of UNCTAD, on the new international economic order.

27. Her delegation wished to put forward some ideas concerning the international development strategy for the Third United Nations Development Decade. The previous Strategy had set quantitative goals and time-limits for achieving them; at the same time, it had laid down the obligations and commitments required to that end and had provided for a review and appraisal mechanism. The same approach should be adopted in the new strategy, but provision should also be made for a process leading to the restructuring of the external relationships between the developed and the developing countries in the entire range of trade and economic activities, and to collective self-reliance of the developing countries. The accelerated growth of developing countries must remain at the core of the new strategy and it should therefore set targets higher than the previous ones. However, it should be solely a declaration of intent or a mere list of principles. It should incorporate specific agreed general policy measures, thereby reducing areas for negotiations and bargaining. It be prepared and adopted within a given time frame and under the auspices of the United Nations system. The specific commitments should be supported by a real political will in every case. The goals and objectives of the strategy should be shared by all but, in order to achieve them, the different groups of countries would have to adopt different policy measures.

28. In view of the low standard of living of the developing countries, there was a need for intensive international effort to double the per capita income of the present developing countries by the year 2000. The developed countries should increase at least by 1 per cent of their GNP for assistance to the developing countries, in particular the least developed among them. Concessional finance would need to be increased and converted to achieve access for developing countries to private financial markets. Furthermore, there was an urgent need to reform the international monetary system. In the industrialization field, the targets of a 25 per cent share of the world production and a 30 per cent share of world trade in manufactures for the developing countries should guide the formulation of industrialization policies.

29. The new strategy should emphasize the importance of economic and technical operation among developing countries, on the basis of collective self-reliance, with the support of the international community, particularly for the least developed countries.

26. The rules that had governed international relations needed to be recast to provide for special measures in favour of the developing countries, without discrimination among them, and to ensure that they had a say in the management of the international economic system. The Special Session of the General Assembly in 1980 would provide the best opportunity of taking decisions on any issues which might not be settled by the Preparatory Committee for the New International Development Strategy.

27. The global negotiations on international economic co-operation which it was proposed to launch after the Special Session of the General Assembly should not delay or interrupt negotiations in other bodies of the United Nations. They should make a significant contribution to the implementation of the new strategy and should not duplicate the negotiations involving the formulation of that strategy. Her delegation hoped that the negotiations being carried out in UNCTAD would be continued with vigour and at a sustained rate.

28. Mr. ELIASHIV (Israel) said that the international development strategy for the 1970s had been a failure. As a developing country, Israel hoped that the new decade would see significant progress in socio-economic development. While remaining a vital forum for discussion, UNCTAD should also be an instigator of new concepts in the fields of trade and development, money and finance, the transfer and development of technology, and economic co-operation among the developing countries. His country had always endeavoured to make a contribution of ideas in the field of development financing, particularly with regard to the export credit guarantee facility, the proposed co-financing facility and economic co-operation among developing countries. His delegation would continue to promote the proposals which it had had an opportunity to present and to develop on the matter at previous meetings.

29. Mr. PANKIN (Union of Soviet Socialist Republics) said that his Government's position on the state of the international economy had been set out in detail in a document submitted jointly by the delegations of the socialist countries at the fifth session of the Conference (TD/313). The forecasts set before the Board had confirmed that the major trends described by the socialist countries in that document continued to determine the course of world economic events. The results obtained by the two major economic and social systems showed that whereas the socialist system was a generator of growth not only for itself but also to some extent for the entire world, capitalism, because of its very nature, continued to give rise only to crises. Through rational co-operation in the Council for Mutual Economic Assistance and the re-structuring of their national economies, the socialist countries of eastern Europe had been able over the past 30 years to achieve steady economic growth, living standards of their working masses and to avoid the disturbances caused in the world economy by the capitalist system. The capitalist countries were increasingly using their internal economic difficulties to justify policies that undermined normal economic relations through such measures as "neo-protectionism". Socialist countries were able to resist such efforts, but they fully sympathized with the legitimate demands of the developing countries, which refused to make up the losses caused by crises and inflation in Western countries.

30. One of the main obstacles preventing progress towards the establishment of the new international economic order was the policies of international monopolies. At the fifth session of the Conference, his delegation had stressed the harmful effects of the activities of transnational corporations on the economies of the developing countries. Those corporations were creating their own "new economic order" within

the capitalist system and posed a threat to the independence even of developed countries. Any attempt to bring about a democratic restructuring of world economic relations must therefore be aimed at countering the policies of transnational corporations. His delegation hoped that a detailed study would be made of the activities of those corporations and was prepared to support any measure designed to control them. The restructuring of international economic relations would, however, be decided not so much in the United Nations as in the developing countries themselves, through their efforts to exercise their sovereignty over their natural resources, to control foreign capital effectively, to carry out progressive economic and social changes and to mobilize their internal resources. His Government had always helped those countries to solve such major problems and would inform Sessional Committee II of the action it was taking in those areas. In UNCTAD, the USSR was carefully studying the ideas put forward for the restructuring of the world economy. In a matter of principle, the Soviet Union was prepared to join the developing countries in their efforts to transform economic and external trade structures, in the interest of all countries and of the long-term international division of labour, including measures to promote competitive exports of developing countries. The restructuring of the world economy would be possible only in a climate of mutual trust and détente and as a result of disarmament, which would make it possible to release resources for peaceful purposes.

31. The Soviet Government's position on proposals concerning a review of the rules and principles governing international economic relations was based on its efforts to ensure the elimination of inequality, discrimination and exploitation in world trade and economic relations. The review must therefore be carried out in the general context of the normalization of international trade, taking into account the interests of the socialist countries.

32. A number of aspects of the possible contribution of UNCTAD to a new international development strategy still remained unclear. Although the report by the UNCTAD secretariat (TD/B/756) had arrived too late for his delegation to express its opinion, it appeared at first glance that some aspects of the question were presented in a perspective broader than that required of an international body with a clearly defined field of activity. It was essential that, in preparing its contribution, UNCTAD should remain strictly within the limits of its field of competence, in particular with regard to the conceptual framework for the future strategy.

33. The Soviet Union would participate in the formulation of the new strategy for the 1980s, including the work in UNCTAD. It considered that the future strategy would be truly beneficial only if it reaffirmed and strengthened the progressive elements of decisions already taken by the United Nations, particularly the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States. The work on the formulation of a new international development strategy should be carried out within the framework of existing UNCTAD bodies, on a universal basis and with due account being taken of the interests and views of the main groups of countries. The proposed global consultations should also be conducted within the framework of the existing UNCTAD machinery, particularly since the Board would henceforth meet twice a year. Those consultations should, of course, deal with problems which came directly within the competence of UNCTAD and should not jeopardize its regular activities.

34. The Soviet Union devoted constant attention to improving the functioning of the socialist economic system. The new measures recently adopted by the Soviet Government to that end would directly promote the further development of the Soviet Union's foreign trade. Growing co-operation with the developing countries and the developed capitalist countries would enable the Soviet Union to make a real contribution to the transformation of international economic relations, based on the principles of justice and equality of rights, as well as to the restructuring of the world economy and to the establishment of an international development strategy for the 1980s.

IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS (agenda item 10) (A/32/302/Add.1)

35. Mr. PENOV (Chief, External Relations Unit), introducing the item, said that the report of the Secretary-General to the United Nations to the thirty-second session of the General Assembly contained an account of UNCTAD's contribution to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (A/32/302 and Add.1 and 2). The Economic and Social Council had already considered the report and had reaffirmed the responsibility of the specialized agencies and other organizations within the United Nations system for taking all effective measures, within their respective spheres of competence, to ensure the full and speedy implementation of the Declaration and other relevant resolutions, particularly by the provision of moral and material assistance, on a priority basis, to the peoples of the colonial territories and their national liberation movements.

36. UNCTAD was the executing agency for a project for an economic and social survey of Zimbabwe with a view to preparing the ground for a decisive passage of Zimbabwe from colonialism to self-sustained economic and social development which the Patriotic Front of Zimbabwe had requested from the United Nations Development Programme. It was worth noting that the project, along with United Nations efforts for Namibia, offered an unique opportunity for the United Nations system to make a useful contribution to the analysis of the types of problems and issues that were likely to arise at the moment of independence and some of the possible solutions that could be applied.

37. With regard to Namibia, in April 1977 a mission of the United Nations Council for Namibia had held consultations with the Secretary-General of UNCTAD and other senior UNCTAD officials. In July 1977, the International Adviser of the Special Programme for Least Developed, Landlocked and Island Developing Countries of UNCTAD had prepared a note on the commercial policy and planning of the foreign sector in Namibia. An UNCTAD consultant had prepared a study on the external economic sector, with particular reference to the diamond industry, which was related to Decree No. 1 for the protection of the natural resources of Namibia enacted by the United Nations Council for Namibia on 27 September 1974. A consultant was currently preparing a study on the pattern and volume of shipping traffic. UNCTAD had participated in the

first planning workshop of the Nationhood Programme for Namibia, held at Lusaka in May 1978. It had also assisted the United Nations Commissioner for Namibia in appraising and further preparing the projects recommended by OAPEC as priorities for the Nationhood Programme for Namibia.

36. In accordance with General Assembly resolution 3280 (XXIX), notifications of the sessions of the Conference, the Trade and Development Board and conferences held under the auspices of UNCTAD were sent (as forwarded by the UNDP Office at Geneva) to the national liberation movements through the Executive Secretary of the OAU Co-ordinating Committee for the Liberation of Africa. In conformity with a directive from the Legal Counsel of the United Nations Office of Legal Affairs, invitations to national liberation movements were issued after confirmation by the Office of Legal Affairs of the list of national liberation movements recognized by OAU at any given time.

37. Lastly, the Secretary-General of UNCTAD was in consultation with the Organization of African Unity concerning further proposals relevant to the matter under discussion.

38. Mr. ALUKO (Ethiopia) asked whether UNCTAD's assistance to the national liberation movements was limited to studies and seminars. He enquired whether the other proposals which were the subject of consultation between the Secretary-General of UNCTAD and OAU also concerned solely such studies and seminars.

39. Mr. [illegible] (Chief, External Relations Unit) said that the consultations between the Secretary-General of UNCTAD and OAU were carried out in the framework of UNCTAD's terms of reference and competence. Any proposals resulting from the consultations would, of course, be brought to the attention of the Board.

40. Mr. [illegible] (Nigeria) asked on what grounds it was expected that those proposals would be rejected. Since the report of the Secretary-General of the United Nations to the thirty-fourth session of the General Assembly (A/34/470 and Add. 1 and 2) was not readily available at Geneva, it would have been useful if a document summarizing UNCTAD's contribution to the report could have been distributed to the Board.

41. Mr. [illegible] (Deputy Secretary-General of UNCTAD) said that the purpose of the informal consultations which had taken place between the Secretary-General of UNCTAD and senior officials of OAU had been to ascertain which of the projects asked for by the national liberation movements [illegible] could, practically speaking, and that was necessarily a slow process. The consultations had not yet reached the stage at which specific proposals could be submitted to the Board at its current session.

42. In the case of the national liberation movements, as in that of governments, projects could obviously not be imposed on United Nations organs; dialogue was essential and it was above all the national liberation movements which should take the initiative. UNCTAD's will to help essentially was plain.